



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

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TREASURER ANGELIDES COMMENTS ON ASSEMBLY COMMITTEE VOTE TODAY TO DEFEAT GOVERNOR'S PROPOSED ELIMINATION OF STATE POWER AUTHORITY

SACRAMENTO, CA – State Treasurer Phil Angelides today had the following comments after the Assembly Committee on Natural Resources rejected legislation that would have enacted Governor Arnold Schwarzenegger's proposal to eliminate the State Power Authority.

"Today's action, coupled with last week's vote by the Senate Committee on Energy, Utilities & Communications, sends a strong message that California should not be getting rid of the only agency – and a self-supporting one at that – created to give the State some measure of control over its own energy destiny and to protect consumers and ratepayers from energy company price gouging.

"Certainly, no proposal to eliminate the Power Authority should be considered until the Governor sets out an alternative vision for state energy policy and governance that protects California ratepayers, businesses and consumers, and meets the State's future energy needs."

Angelides, along with prominent consumer groups – The Utility Reform Network and the Foundation For Taxpayer and Consumer Rights – has led the fight to reject the Governor's proposal, saying that eliminating the Power Authority would not save taxpayers any money and comes at a time when the State's energy future is still uncertain.

The Power Authority – officially known as the California Consumer Power and Conservation Financing Authority – was formed in 2001 in the wake of California's now notorious energy crisis, after an ill-devised deregulatory scheme signed into law by then-Governor Pete Wilson collapsed and California fell victim to private energy companies that gouged ratepayers and taxpayers for billions of dollars in suspect profits. It was one of the most remarkable market manipulations in this nation's history. Indeed, just last week, federal prosecutors indicted a Reliant Resources Inc. power-trading unit and four employees on charges of illegally increasing electricity costs – the first such criminal case related to California's energy crisis.

The Power Authority is the only agency that the Governor has targeted for elimination.

AB 2967 (LaMalfa) was defeated today on a 4 to 6 vote in the Assembly Committee on Natural Resources. Last week, a similar bill, SB 1716, was defeated on a 1 to 3 vote in the Senate Committee on Energy Utilities & Communications.

Note: Copies of letters that Treasurer Angelides has delivered to lawmakers, in which he declares his opposition to the elimination of the Power Authority, are available on the Treasurer's website, at:

www.treasurer.ca.gov/news/releases/2004/041304_power.pdf